

REQUEST FOR PROPOSALS

Mayor and City Council of Baltimore (City of Baltimore, MD)
General Obligation Bonds
Consolidated Public Improvement Bonds
Series 2006

I. BACKGROUND AND PURPOSE

The City of Baltimore (the "City") is issuing this request for brief proposals ("RFP") for bond counsel services in connection with the above-referenced transaction ("Bond Counsel").

I.A) Background

The City will be issuing general obligation bonds (the "Bonds") under the authority of the Constitution of Maryland, the Charter of the City, and various internal approvals and resolutions. This transaction is expected to be approximately \$40 million and fund approximately 100 projects. The Bonds are expected to issue in or about June, 2006.

Bond Counsel has traditionally reviewed appropriate use of the proceeds; assisted the City in structuring the issuance and sale of the Bonds; drafted various documents, legislation, regulations, and procedures; rendered certain opinions regarding the issuance of securities; and verified compliance with applicable federal, state, and municipal laws and regulations. Bond Counsel will work closely with the Director of Finance and his staff and will be supervised by the City Solicitor and his staff.

The City's financial information, including its FY2005 Comprehensive Annual Financial Report, can be found at this web address: <http://www.ci.baltimore.md.us/government/finance/>

I.B) Scope of Services

Bond Counsel shall provide all necessary legal services necessary to issue the Bonds, including but not limited to: (1) providing an objective legal opinion with respect to the authorization and issuance of debt obligations and whether interest paid is tax-exempt under federal and/or state laws and regulations; (2) preparing authorizing documents and any other document needed in connection with the issuance of the Bonds, including closing documents and transcripts; (3) reviewing use of proceeds to ensure compliance with applicable state and/or federal law and regulations; (4) preparing all documents and materials necessary to comply with all applicable "continuing disclosure" requirements for transactions; (5) participating, if requested, in activities associated with rating agency and/or bond insurer reviews; (6) offering continuing legal advice, as needed, on issues related to the sale of the Bonds, any issues that arise post-sale, the trustee administration of obligations, and in particular, any actions necessary to ensure that interest will continue to be tax-exempt; and (7) providing other legal opinions or advice as required.

I.C) Administrative/Contract Personnel

The Administrative Officer is:

Alan Sun, Chief Solicitor

E-mail: alan.sun@baltimorecity.gov

The Contract Officer is: Ralph S. Tyler, City Solicitor
City Hall, Room 101
100 Holliday Street
Baltimore, Maryland 21202

I.D) Inquiries

All inquires concerning this RFP shall be made by email and shall be submitted to the Administrative Officer. Questions will be answered timely. In an effort to provide a fair process and complete information, all questions and the responses given are available to any potential respondent upon request.

I.E) Submission of the Response

The response (the "Response") shall consist of one original and one copy of the Description and the Price Proposal (as defined below).

The Original Response and one copy must be delivered to the Contract Officer on or before **Wednesday, March 8, 2006, at 12:00 p.m., local time**. Responses received after this date and time will not be considered. This package must be sealed and marked "2006 General Obligation Bond Counsel RFP."

Participants are encouraged to send an electronic version of the Response to the Administrative Officer. *NOTE:* the electronic version is for convenience-sake only and will not be considered when determining time of receipt of Response. Whether or not an electronic version is received will have no bearing on the evaluation of the Response.

I.F) Contract and Length

Bond Counsel chosen as a result of this RFP shall enter into a contract with the City (the "Contract") which shall consist of the following: this RFP, the Response, and an engagement letter approved by the City, all of which shall be binding. The Contract expires when all legal work requested in connection with the Bonds is completed.

I.G) Financial Responsibility

Respondent understands and agrees that the City shall have no financial responsibility for any costs incurred by the respondent in responding to this RFP. The successful bidder shall be solely responsible for meeting all terms and conditions specified in the Contract.

I.H) Public Information

Proposals shall be subject to disclosure pursuant to the provisions of the Access to Public Records Act, Section 10-611 *et seq.* of the State Government Article of the Annotated Code of Maryland (the "Public Information Act"). Respondents must identify specifically those portions of its Proposal, if any, which it deems to contain trade secrets or confidential or proprietary information and must provide justification why such materials should not, upon request under the Public Information Act, be disclosed by the City.

I.I) Oral Presentations

The City reserves the right to invite the respondents to make oral presentations. Currently, the City does not expect to require oral presentations. If oral presentations are required, the City reserves the right to limit the number of oral presentations and will set forth presentation guidelines at that time.

I.J) Effective Period of Responses

Responses must remain in effect until either the respondent withdraws the response in writing, a contract is executed, or the RFP is canceled, whichever occurs first.

I.K) Right of Rejection; Waiver

Notwithstanding any other provisions of this RFP, the City reserves the right to reject any or all Responses in its sole discretion, to waive any irregularity or informality in a Response, and to accept or reject any item or combination of items, when to do so would be in the City's interest.

II. THE RESPONSE

The purpose of this section is to state the terms and conditions that will govern the Response. The firm's name and address should be on each page of the Response.

II.A) Cover Letter

Your firm should include a cover letter with the name and contact information of the person or persons authorized to represent the respondent regarding all matters related to the Response.

II.B) Statement of Qualifications

All firms must have a minimum three years of municipal finance experience serving as bond counsel or disclosure counsel with respect to public finance transactions.

Briefly state the qualifications of the firm (the "Description"). The City requests that the Description be as short as possible, preferably no more than two pages. To the extent pertinent information is available on the Internet, the Description may cross-reference to such information. The Description should include the following:

- Identify the individual(s) who will manage (individually or collectively, the "Manager") this financing on a day-to-day basis. Describe the Manager's background or include a web address that contains such information. Define the Manager's position within the firm and indicate the degree to which the Manager will be able to commit the firm's resources to the City. Finally, describe the Manager's availability and the Manager's other commitments and how those commitments might impact the Manager's availability.
- Identify other professionals and members of your firm who will be assigned to work on this project. Describe each member's role and responsibilities and the aspects of each member's background relevant to this transaction.
- Briefly describe your firm's qualifications, including a short list of relevant transactions. Include any other information that your firm considers essential to a fair evaluation of your firm's experience and capabilities.

- Include a statement that your firm and key professionals do not have or anticipate having a potential conflict of interest with the City.
- Include a statement by a person or persons authorized by your firm clearly indicating that this Statement of Qualifications is binding in accordance with Section I.I, *supra*.
- Include a statement binding your firm during the term of the Contract to maintain in full force and effect professional liability insurance covering, *inter alia*, securities- and malpractice-related claims (the "Insurance"). Please provide a description of the coverage (including amount) of the Insurance. Acknowledge that if selected as bond counsel, your firm will provide to City proof of such Insurance immediately upon request. Please list any pending claims or disputes relating to prior opinions as counsel in any municipal finance transaction.

The City reserves the right to request references after submission of the Response.

III) Price Proposal

Briefly submit a price proposal (the "Price Proposal") that will describe the basis for bond counsel compensation for the transaction. It is requested that the Price Proposal be as short as possible, preferably no more than one page. The Price Proposal may be based on the size and type of the issue, hourly rates, "blended" hourly rates of the several lawyers to be involved, or a set maximum fee. In addition, respondents have the option of including a discussion of any methods of compensation or budgeting they have employed in the past with other similar public issuers or would be willing to employ in the future, which are intended to provide quality legal services in a cost-effective manner.

Prior to the award of the Contract, the City intends to enter into negotiations concerning a fee structure which provides the best overall value to the City. If an agreement cannot be reached with a recommended firm, negotiations will be attempted with the other firms.

IV. EVALUATION CRITERIA

The factors to be used in evaluating the responses will include, but are not limited to, the following:

1. The ability to provide the requested services.
2. Proposed fees and compensation.
3. Qualifications of staff to be assigned to engagement.
4. Quality and conciseness of responses.
5. Quality of references, if requested.

Fees and compensation will be an important factor in the evaluation of responses. However, the City will select the Response that demonstrates the "best value" overall, including proposed alternatives, and meets the objectives of the City. **The City is not required to select the low-cost respondent.**

The City reserves the right to negotiate a change in any element of the Contract or any part of the RFP.
